

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

H. CRISTINA CHEN-OSTER; LISA PARISI;
AND SHANNA ORLICH,

10 Civ. 6950 (AT) (JCF)

Plaintiffs,

v.

GOLDMAN, SACHS & CO. and THE
GOLDMAN SACHS GROUP, INC.,

Defendants.

DECLARATION OF CLARE SCHERRER

I, Clare Scherrer, hereby declare under penalty of perjury that the following is true and correct:

1. I am currently employed by Goldman, Sachs & Co. (“Goldman Sachs” or the “Firm”) as a Participating Managing Director (“PMD”) in the Investment Banking Division. I have been with Goldman Sachs for approximately eighteen years, and I am currently based in London. Prior to April 2011, I always worked for the Firm in New York City. This declaration is based on my personal knowledge, and I would be competent to testify to the following facts if called upon to do so. I am providing this declaration voluntarily and of my own free will.

2. Currently, I am the Co-head of the Industrials Business Unit in IBD. Industrials is part of the “Classic” side of IBD. I originally joined Goldman Sachs as a Summer Associate in 1995 while I was in business school. I had such a positive summer experience that I decided to join the Firm in IBD after graduating in 1996, even though I had an offer to return to the consulting firm that I had worked for before business school and had to repay that firm for my business school tuition. I joined Goldman Sachs as an Associate and was promoted to Vice

President in 2000. I was promoted to Extending Managing Director (“EMD”) in 2003 and to PMD in 2006.¹

3. Throughout my time at Goldman Sachs, more senior individuals – both male and female – have mentored and supported me. I have had a long and successful career at the Firm and I have never felt that I have been treated differently than male peers. Several of my male mentors have been coaching me for almost my entire career at the Firm. Just as others have mentored and supported me, I strive to do the same for women both in and outside of my reporting lines. I have mentored numerous women in IBD over the years.

4. I believe that the process for promotions to EMD is robust, fair, and balanced.

[REDACTED]

[REDACTED] I have served as both a cross-ruffer and the captain of a cross-ruffing team (both before I moved to London). I have seen first-hand the amount of time and effort that is put into the cross-ruffing process, including training and guidance from Human Capital Management (“HCM”) professionals and other managers in the Division. I have never witnessed anything discriminatory toward women in any of my years of involvement with the process.

5. Based on my own experiences as both a reviewee and as an evaluator, I believe that Goldman Sachs’ 360 review system is a highly inclusive system that works well to evaluate performance. In my experience, reviewers put a lot of thought into the reviews they give, and managers also take the process seriously. I think 360 reviews are helpful to bankers because it gives them a picture of how individuals other than their direct manager view them. I believe it is

¹ When I joined the Firm in 1996, I worked in IBD’s Corporate Finance department. In approximately 2001, the Division was reorganized, and I became part of the Mergers and Strategic Advisory group. In approximately 2003, the Division again was reorganized to become more industry-aligned. I joined Industrials and have worked there ever since.

important for me as a manager to have the ability to review the 360 review lists of the bankers who report to me. I never make unilateral changes to review lists, but instead occasionally suggest reviewers to add or replace. For example, last year, one of my bankers did not include a more senior banker in the Division whom I knew thought highly of my banker and would offer insightful feedback. I suggested adding that more senior banker, and my banker did so. I also give guidance to managers who report to me, and I often sit in meetings in which the managers deliver feedback to their direct reports. HCM professionals are also available to assist me and other managers when we have questions about writing or delivering reviews.

6. As a manager, I have been involved in the Manager Quartiling process. I do not generally tell my bankers their Manager Quartile number, but I do tell them where I believe they fall relative to their peers. I believe the feedback I provide to my subordinates is very thorough. In addition to my view of their performance, I explain what I think their career trajectory is and I outline an action plan with them. I do not believe the Manager Quartiling process is discriminatory. I believe the process of assessing relative performance is an important one, particularly at Goldman Sachs where we hire the very best and brightest individuals. If we did not engage in the Manager Quartiling exercise, I would find it much more difficult to make year-end compensation (bonus) decisions.

7. As a manager, I also have been involved in the compensation process for many years. In addition, I have served on the IBD Compensation Committee for three compensation cycles. I have never heard anyone make derogatory comments about any woman or any woman's compensation during the Compensation Committee meetings. I have never seen or heard anything during Compensation Committee meetings that even hints at gender

discrimination. I have witnessed first-hand that diversity is a priority for our Divisional leaders, including myself and the other members of the Compensation Committee.

8. I have been active in Women's Networks throughout my years at the Firm. I served as the head of the IBD Women's Network in approximately 2004 and 2005, and I was the head of the Firmwide Women's Network in approximately 2007. I was also Chairman of Diversity for IBD in approximately 2010-2012, and in that capacity I worked closely with our Women's Networks. Based on my experiences, I believe the Networks are particularly helpful in two key ways. First, I believe the IBD and Firmwide Women's Networks offer important opportunities to women to help advance their skills by offering access to a variety of external and internal speakers to present on career development topics relevant to our bankers. Second, I believe the Networks offer opportunities for women to interact with a supportive community of their peers. For example, many of our events combine both a substantive career development presentation with a networking opportunity; the networking opportunities provide the ability to network with women in other business areas. I believe the experiences I have had through the Networks have been invaluable to my career. For that reason, when I travel to our United States offices, I often meet with groups of women informally as well as at IBD Women's Network events to discuss my career experiences at the Firm, in order to encourage more junior women in their career development.

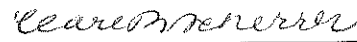
9. In all my years with the Firm, I have never felt discriminated against at Goldman Sachs. I have never been harassed. Nor have I been subjected to comments that are derogatory toward women. I have never needed to make an internal complaint, but I know Employee Relations is available to me if I did.

10. I have never felt excluded from social events with clients or co-workers. I have not witnessed women who socialize with their work colleagues outside the office being referred to by any derogatory terms. I have never felt pressured to go to a strip club by anyone with the Firm. The Firm has very clear prohibitions against entertaining clients or other employees at such establishments. In my eighteen years with the Firm, the strip club topic has come up only once. This was in the late 1990s when I was an Associate. I was travelling with corporate clients, and the clients made it known to me that they wanted to be entertained at a strip club. I went straight to the senior Vice President, a male, to whom I was reporting on that project and told him what happened. He said that he would tell the clients that they were out of line, or, if I preferred, he would let me talk to them myself, but we could rehearse what I would say in advance. It was my choice, and I chose to address it with the clients myself. My manager gave me guidance and confidence and helped me craft what I was going to say. I then told the clients that I would not go to the strip club, and that if they wanted to go on their own, that was their prerogative but I had booked reservations at a steak house and they could join me there instead. They joined me at the steak house and did not mention the strip club to me again. I will never forget my manager's response and coaching because of how supported it made me feel.

11. In my experience, Goldman Sachs is a meritocracy, where opportunities and promotions are given to people who have earned them. I believe that the Firm is a great place for women to work, and as a leader in IBD, I work to ensure that women are supported, mentored, and always treated fairly.

I declare under penalty of perjury and pursuant to 28 U.S.C. § 1746 that the foregoing is true and correct.

Dated: London, England
June 27, 2014



Clare Scherrer